



N O R F O L K

Neighborhood Design and Resource Center

Cost vs. Value

Home Improvement and Property Values

Renovating or remodeling your home has many advantages. Fixing or adding space to your home allows you to stay in the same neighborhood even if your needs change. Renovating a home may provide an inexpensive way to change the look of your home rather than moving and it can increase your property values. If you are considering remodeling your home, you may be wondering if it's worth the effort. That is, what affect will the project have on your property values?



There are many types of home renovations. Renovations can range in size from replacing window or a new coat or paint to adding a second or third floor of living space or a wing to your house. The key to effective remodeling lies in understanding the appropriate design elements, massing and materials that creates the architecture or style of a house. As a rule of thumb, remodeling projects such as kitchen, bath or changing floor covering often provide the best return on investment. Knowing how a remodeling project affects your property value may help you determine the size and scope of the project that fits your house and budget.



The value of your home after the project is complete will depend on several factors:

- the type of project you choose
- the cost of the project
- the status of your local real estate market (e.g., Is your home located in a "hot" area or an up - and - coming neighborhood?)
- the region of the country in which your home is located

Remodeling Magazine publishes an annual comparison of the cost of the most common remodeling projects to the property resale value. Cost data for the Report come from HomeTech Information Systems, a remodeling estimating software company in Bethesda, Md. Resale values are based on the professional judgment of members of the National Association of Realtors (NAR). The numbers presented are guidelines for estimating the value based on regional averages. Costs for materials and labor vary in different parts of the country. The sale price of homes will vary according to the location within the City. If resale value is an important consideration for you, you may want to consult with a local real estate appraiser.

Source:
 Sal Alfano, "2009-10 Cost vs. Value Report",
 REMODELING Magazine, Publication date: 2009-10-
 19 Hanley Wood, LLC 2010
<http://www.remodeling.hw.net>

Percentage of Cost Recovered	National averages 2009-10
Deck Addition (Mid-Range)	80.6%
Siding Replacement (Upscale)	83.6%
Siding Replacement (Mid-Range)	79.9%
Bathroom Addition (Mid-Range)	59.5%
Attic Bedroom Addition	83.1%
Bathroom Remodel (Upscale)	61.6%
Bathroom Remodel (Mid-Range)	71.0%
Window Replacement (Upscale)	71.5%
Window Replacement (Mid-Range)	71.5%
Bathroom Addition (Upscale)	57.9%
Family Room Addition (Mid-Range)	65.3%
Major Kitchen Remodel (Upscale)	63.2%
Basement Remodel (Mid-Range)	83.1%
Master Suite Addition (Upscale)	55.7%
Master Suite Addition (Mid-Range)	72.1%
Major Kitchen Remodel (Mid-Range)	72.1%
Minor Kitchen Remodel (Mid-Range)	78.3%
Two-Story Addition (Mid-Range)	68.6%
Roofing Replacement (Upscale)	60.5%
Roofing Replacement (Mid-Range)	66.6%
Sunroom Addition (Mid-Range)	50.7%
Home Office Remodel (Mid-Range)	48.1%
Source: Remodeling Magazine	

For more information:
 City of Norfolk
 Department of Planning and Community Development
 111 Granby Street - Norfolk - VA - 23510
 757-664-6770